

1-1 By: Stephenson H.B. No. 2928
 1-2 (Senate Sponsor - Taylor of Galveston)
 1-3 (In the Senate - Received from the House April 24, 2017;
 1-4 May 4, 2017, read first time and referred to Committee on Business
 1-5 & Commerce; May 15, 2017, reported favorably by the following vote:
 1-6 Yeas 9, Nays 0; May 15, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to including the obligations of Federal Home Loan Banks as
 1-21 authorized investments for a governmental entity and the
 1-22 requirements for certificates of deposit or share certificates held
 1-23 as authorized investments for a governmental entity.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 2256.009(a), Government Code, is amended
 1-26 to read as follows:

1-27 (a) Except as provided by Subsection (b), the following are
 1-28 authorized investments under this subchapter:

1-29 (1) obligations, including letters of credit, of the
 1-30 United States or its agencies and instrumentalities, including the
 1-31 Federal Home Loan Banks;

1-32 (2) direct obligations of this state or its agencies
 1-33 and instrumentalities;

1-34 (3) collateralized mortgage obligations directly
 1-35 issued by a federal agency or instrumentality of the United States,
 1-36 the underlying security for which is guaranteed by an agency or
 1-37 instrumentality of the United States;

1-38 (4) other obligations, the principal and interest of
 1-39 which are unconditionally guaranteed or insured by, or backed by
 1-40 the full faith and credit of, this state or the United States or
 1-41 their respective agencies and instrumentalities, including
 1-42 obligations that are fully guaranteed or insured by the Federal
 1-43 Deposit Insurance Corporation or by the explicit full faith and
 1-44 credit of the United States;

1-45 (5) obligations of states, agencies, counties,
 1-46 cities, and other political subdivisions of any state rated as to
 1-47 investment quality by a nationally recognized investment rating
 1-48 firm not less than A or its equivalent; and

1-49 (6) bonds issued, assumed, or guaranteed by the State
 1-50 of Israel.

1-51 SECTION 2. Section 2256.010(a), Government Code, is amended
 1-52 to read as follows:

1-53 (a) A certificate of deposit or share certificate is an
 1-54 authorized investment under this subchapter if the certificate is
 1-55 issued by a depository institution that has its main office or a
 1-56 branch office in this state and is:

1-57 (1) guaranteed or insured by the Federal Deposit
 1-58 Insurance Corporation or its successor or the National Credit Union
 1-59 Share Insurance Fund or its successor;

1-60 (2) secured by obligations that are described by
 1-61 Section 2256.009(a), including mortgage backed securities directly

2-1 issued by a federal agency or instrumentality that have a market
2-2 value of not less than the principal amount of the certificates, but
2-3 excluding those mortgage backed securities of the nature described
2-4 by Section 2256.009(b); or

2-5 (3) secured in accordance with Chapter 2257 or in any
2-6 other manner and amount provided by law for deposits of the
2-7 investing entity.

2-8 SECTION 3. The changes in law made by this Act apply to an
2-9 authorized investment of public funds governed by Chapter 2256,
2-10 Government Code, as amended by this Act, made on or after the
2-11 effective date of this Act. An authorized investment of public
2-12 funds made before the effective date of this Act is subject to the
2-13 law in effect on the date the investment was made, and the former
2-14 law is continued in effect for that purpose.

2-15 SECTION 4. This Act takes effect September 1, 2017.

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